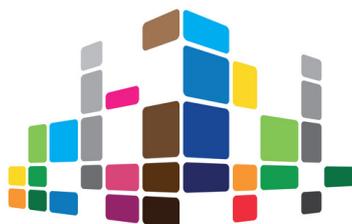


A fresh approach to residential  
property management and  
total peace of mind



**Clear Building Management**

QUALITY | VALUE | TRANSPARENCY

## Embracing change: a **Clear** guide to switching managing agent

Clear Building Management explains everything you need to know about changing managing agent in this free guide, including a detailed rundown of what exactly is involved in the switching process.



# Changing managing agent: Common concerns and FAQs

Set out below are some of the most common concerns and FAQs that RMC directors and leaseholders ask Clear about changing managing agent. We've provided some practical advice to help you make the change as successful and stress-free as possible.

## How do we part ways with our managing agent? Do we have to break the news?

When relations have broken down, RMC directors can feel anxious about giving a managing agent notice for fear of repercussions or a total downing of tools. An incoming managing agent should take care of this process for you and have the 'difficult conversation', removing you from the line of fire.

At Clear, we offer a very simple 'one signature switch' service. This means that we handle all dealings with the old agent, including any conflicts and what they can and can't do until the handover is complete.

## What will happen to services and repairs while the transfer is taking place?

This handover period can be a cause of concern when it comes to both planned works and emergency repairs, particularly if the outgoing managing agent is disinclined to be helpful! Again, this is something that can be handled on your behalf by the new managing agent.

As mentioned above, the incoming agent should give the old agent instructions on what they can and can't do during the notice period, such as restrictions on expenditure and details of communications.

## Can we change managing agent but keep our site staff?

It is possible to ensure that the site staff keep their jobs at your development, thanks to the employment law regulations known as TUPE. TUPE stands for 'The Transfer of Undertakings (Protection of Employment) Regulations 2006'. Its purpose is to ensure that employees carry out the work that they're employed to do.



So, if one property management company loses a contract then (generally) the incoming management company will take over the responsibility for the employees attached to the contract for the development.

This means that if a staff member is employed directly by the incumbent agent solely to work on your development, TUPE law enables that employee to enjoy continuous employment by having their employment transferred to the new managing agent.

### **Do we have to wait till the year end?**

A transfer is possible at any time, and you don't have to wait until the end of the financial year to change managing agents. This is subject to your contract and notice period with your current providers but, in our experience, this can often be negotiated away.

### **What about the funds and our service charge monies? Are they at risk?**

This is understandably a common concern, particularly if there has been a lack of clarity and transparency over how service charge monies have been spent. It's important to remember however that the funds belong to the RMC and not the managing agent, so any funds will simply be transferred to the leaseholders' account that is managed by the new agent.

### **Is it a long, time-consuming process?**

It shouldn't have to be. When choosing a new managing agent, ask them how they can help you with the handover process; they should be able to reassure you that they will handle it all for you, ensuring a smooth transition for your block. From informing the outgoing management company to overseeing changes in utility contracts, the new managing agent should take care of all the administration and the hassle.

### **Who can make the decision?**

The power to change rests with the RMC directors, who can decide to change managing agent in the best interests of the block. It doesn't need to be a long, drawn-out process or take an AGM or an EGM with 101 different points of view.

The power to change is in your hands. Take back control of your development and receive the service that you and your fellow leaseholders deserve.



# Finding a managing agent that best fits your development

Whether you are switching from self-management or are seeking to replace a poor-performing managing agent, the Clear Building Management step-by-step guide for RMC Directors and leaseholders will help you to find the managing agent that best fits your development.

## 1. Set out your requirements (the brief)

Discuss and set down exactly what you want from the new managing agent. This important work begins with a clear understanding of your development: consider what's important to your site; the make-up of the leaseholders and residents, and the sort of relationship you want with a managing agent.

As part of this process you should set out the services you require. These are likely to fall into the following categories:

- Financial budgeting and management
- Service charge administration and collection
- Repair and maintenance management
- Leaseholder and tenant relations / communications
- Lease compliance
- Legal strategy and dispute resolution
- Staff management
- Landlord and tenant advice
- Support for the RMC Board

Cost is of course an important consideration, so ask each agent to set out their fee structure and approach to commissions from services such as insurance.

You will want financial transparency from your managing agent, but you must also be honest with them. Set out clearly any problems that they might be inheriting and ask them how they would resolve them. This will also give you a chance to understand both their knowledge and their customer service.

We would also recommend you ask for written (or video) references from their existing customers.



## 2. Draw up a long list of potential managing agents

How do you go about finding 'good' managing agents? As with many things, the best advice is to seek personal recommendations. Ask other residents in the block; particularly newer ones who may have had good experiences elsewhere for their recommendations. Take a quick tour of similar developments in your locality; talk to residents of well-managed developments and find out who they use.

## 3. Send the brief to your long list of managing agents

Send the brief to all managing agents and give them a timeline to respond with their proposals. Three weeks should be sufficient. We recommend sending your brief to five or six managing agents, with a view to shortlisting no more than three.

## 4. Assess the proposals and draw up your shortlist

After three weeks, you should have received submissions from the agents interested in managing your development. Your aim now is to reduce this down to a shortlist of no more than three – and this can lead to interesting conversations when directors have different views and opinions!

You can help take the heat out of the discussions and make it more objective by creating a scoring matrix against the questions in the brief. Aim to get back to each of the agents within a fortnight; be prepared to give feedback to any unsuccessful applicants. Invite each successful managing agent to a meeting with the RMC directors.

## 5. Meet your shortlisted agents

This is the fun part – sitting down face to face with each of the shortlisted managing agents. Ensure you will be meeting with the people who will be managing your block and dealing with you on a day-to-day basis.

We would recommend allowing a good couple of hours for each meeting, including a detailed tour of the development.

For each session, work through a list of pre-prepared questions (see below for some good examples) and, as with the stage before, aim to 'score' each agent to help with your decisions.



As well as clarifying any areas in their proposals, you will want to understand their approach to customer service and their values - for example, at Clear, we operate on the values of Quality, Value and Transparency.

Talk through their approach to choosing and using contractors; do they have a contractors charter in place? Ask to see examples of their service charge demands and accounts. Can you understand them? Are they clear? Find out about their communication channels. Do they offer an online portal for reporting and tracking maintenance issues? What are their service standards for answering calls and emails, dealing with complaints etc?

## 6. Speak to their customers

Ask your shortlisted agents for contact details of RMC directors at two or three developments similar to yours. The written references are useful at shortlisting stage but speaking directly to a managing agent's existing customers will help to give you the 'real picture'. If possible, visit other buildings managed by the prospective agents to judge their ability and competence first-hand.

## 7. Make the decision!

Sit down with your fellow directors, review their proposals, costings, references and talk through the experience of meeting with them. At the end of the day, it really is a people thing: who would you trust to look after your development as if it were their own home?

RMC directors are responsible for setting policy and monitoring the work of the managing agent, so you need to be comfortable it is a team you can work with and trust.

## 8. Contract with your chosen agent

You can talk to your solicitor for this or use one of the free template management agreements offered by ARMA, RICS, or ARHM. Ensure that expectations are clearly set out on both sides and that there are no grey areas that could come back to bite either party. We also recommend building in an 'easy exit' clause after year one if the relationship is not working out as you had hoped.



# Quality | Value | Transparency



**Clear Building Management**  
QUALITY | VALUE | TRANSPARENCY

Offering a fresh approach to property management, Clear Building Management delivers professional residential development management in a better, more inclusive way, ensuring our customers and their needs are at the heart of our operations.

We specialise in larger and/or complex developments and understand these types of properties can come with their own set of challenges. If you feel that a change of managing agent would benefit your development - or perhaps you have been self-managing your development and need an extra pair of hands - please do get in touch.

## CONTACT US

Clear Building Management Limited, Peter House, Oxford Street, Manchester, M1 5AN

T: 0333 344 4996

E: [info@clearbm.com](mailto:info@clearbm.com)

W: [clearbuildingmanagement.com](http://clearbuildingmanagement.com)

 [clearbm](https://twitter.com/clearbm)

 [clearbuildingmanagement](https://facebook.com/clearbuildingmanagement)

